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57-3218

OCT 10 1957

MEMORANDUM FOR: Director of Personnel

SUBJECT : Survey of Insurance Benefits Programs in Other Government Agencies

REFERENCE : Memo dtd 25 Sep 57 to DD/S fr C/BAC Div., same subject

1. It is accepted that "the insurance program is required by security and operational factors peculiar to the unusual mission of this Agency" and that under these circumstances "the Agency is empowered by P. L. 110 to bear all overhead costs of the insurance program."
2. The question which remains to be answered, however, is whether or not it is proper to use the Director's special powers to defray all or a part of these expenses, and to answer that question one first needs to know whether we need to invoke these special powers in order to provide benefits to our employees that are comparable to those which other Government agencies (not having such special powers) can provide at comparable rates.
3. The referenced memorandum points out that only the National Security Agency, the Department of State and the Federal Bureau of Investigation "offer insurance benefit programs which are at all similar to our own." However, it is silent as to the cost of benefits to employees of other Government agencies. I gained a strong impression from the representatives of Mutual of Omaha that no one else, in or out of Government, had rates as low as ours, and I still think that it should be possible for us to come up with something on this point. Without such information how can one judge whether the possibilities indicated on page 2 of Tab C to the referenced memorandum are worthy of our serious considerations for action? To say that "the insurance program is required by security and operational factors peculiar to the unusual mission of this Agency", and then proceed immediately to the conclusion that the Agency should bear all overhead costs of the program is, to me, unacceptable.
4. If we can set up procedures which guarantee the necessary security safeguards and still provide benefits comparable to those which other agencies can provide at comparable rates then, there is, in my judgment, a serious question as to whether or not we are justified in using the Director's special powers and appropriated funds to defray the overhead costs of administering our program. Or to put the basic question in another way, is it proper for this Agency to use appropriated funds to administer our program which provides comparable benefits (to those of other Government agencies) at lower rates

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just because the procedures by which the program is administered are necessary due to security and other operational factors peculiar to the unusual mission of CIA?

5. In my view the "comparable benefits and comparable cost" question can and must be answered.

6. Request that you give this matter further study and consideration and submit your recommendations to me at an early date.

/s/
L. K. WHITE
Deputy Director
(Support)

DD/S:IKW:ljh

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